



COUNTY OF SAN LUIS OBISPO
DEPARTMENT OF PLANNING AND BUILDING
STAFF REPORT

PLANNING DEPARTMENT HEARING

Promoting the wise use of land
Helping build great communities

MEETING DATE November 18, 2005	CONTACT/PHONE Holly Phipps 781-1162	APPLICANT Steve Olson	FILE NO. COAL 05-0266 SUB2005-00042
SUBJECT Request by Steve Olson for a Lot Line Adjustment to adjust the lot lines between two parcels of 8.0 acres and 43.26 acres. The adjustment will result in two parcels of 5.33 acres and 46.21 acres. The project will not result in the creation of any additional parcels. The proposed project is within the Residential Rural land use category and is located 1680 Santa Rita Road approximately 2.5 miles west of Templeton. The site is in the Salinas River planning area.			
RECOMMENDED ACTION Approve Lot Line Adjustment COAL 05-0266 based on the findings listed in Exhibit A and the conditions listed in Exhibit B			
ENVIRONMENTAL DETERMINATION A Class 5 Categorical Exemption (ED05-151) was issued on October 11, 2005.			
LAND USE CATEGORY Residential Rural	COMBINING DESIGNATION Flood Hazard	ASSESSOR PARCEL NUMBER 039-271-030, 039-271-049 and 039-261-026	SUPERVISOR DISTRICT(S) 1
PLANNING AREA STANDARDS: None			
LAND USE ORDINANCE STANDARDS: Section 22.22.060, Residential Rural category			
EXISTING USES: Residential and Open Space			
OTHER AGENCY / ADVISORY GROUP INVOLVEMENT: The project was referred to: Templeton Advisory Group, Public Works and RWQCB			
TOPOGRAPHY: Level to gently rolling		VEGETATION: Blue Oak Woodland, Coastal Oak Woodland, Blue Oak Foothill Pine Woodland, Grasses	
PROPOSED SERVICES: Water supply: On-site well Sewage Disposal: Individual septic system Fire Protection: CDF		ACCEPTANCE DATE: September 7, 2005	
SURROUNDING LAND USE CATEGORIES AND USES: North: Residential Rural/scattered dwellings/vacant South: Residential Rural/scattered dwellings/vacant East: Residential Rural/scattered dwellings/vacant West: Residential Rural/scattered dwellings/vacant			
ADDITIONAL INFORMATION MAY BE OBTAINED BY CONTACTING THE DEPARTMENT OF PLANNING & BUILDING AT: COUNTY GOVERNMENT CENTER ♦ SAN LUIS OBISPO ♦ CALIFORNIA 93408 ♦ (805) 781-5600 ♦ FAX: (805) 781-1242			

ORDINANCE COMPLIANCE:

The applicant is proposing to adjust the lot lines between number legal parcels as follows:

EXISTING LOT SIZES	ADJUSTED PARCEL SIZES
8.0 acres	5.33 acres
43.26 acres	46.21 acres

Section 21.02.030 of the Real Property Division Ordinance states that a lot line adjustment shall not be approved or conditionally approved unless the new parcels resulting from the adjustment will maintain a position which is better than, or equal to, the existing situation relative to the county's zoning and building ordinances.

The adjustment will result in the reconfiguration of the two parcels to configure the parcels to incorporate more land for open space on the adjoining tract. The adjustment will result in two parcels of 5.33 acres and 46.21 acres. The project will not result in the creation of any additional parcels.

SB 497

As of January 1, 2002, lot line adjustments are limited to four or fewer existing adjoining parcels. In addition, the new parcels must comply not only with zoning and building regulations, but also with the general plan and any applicable coastal plan. The County's local ordinance allows a determination to be made that the proposed situation is equal to or better than the existing situation because the parcels as adjusted and consistent with the minimum parcel sizes as set forth in the General Plan.

LEGAL LOT STATUS:

The two lots were legally created by a recorded map at a time when that was a legal method of creating lots.

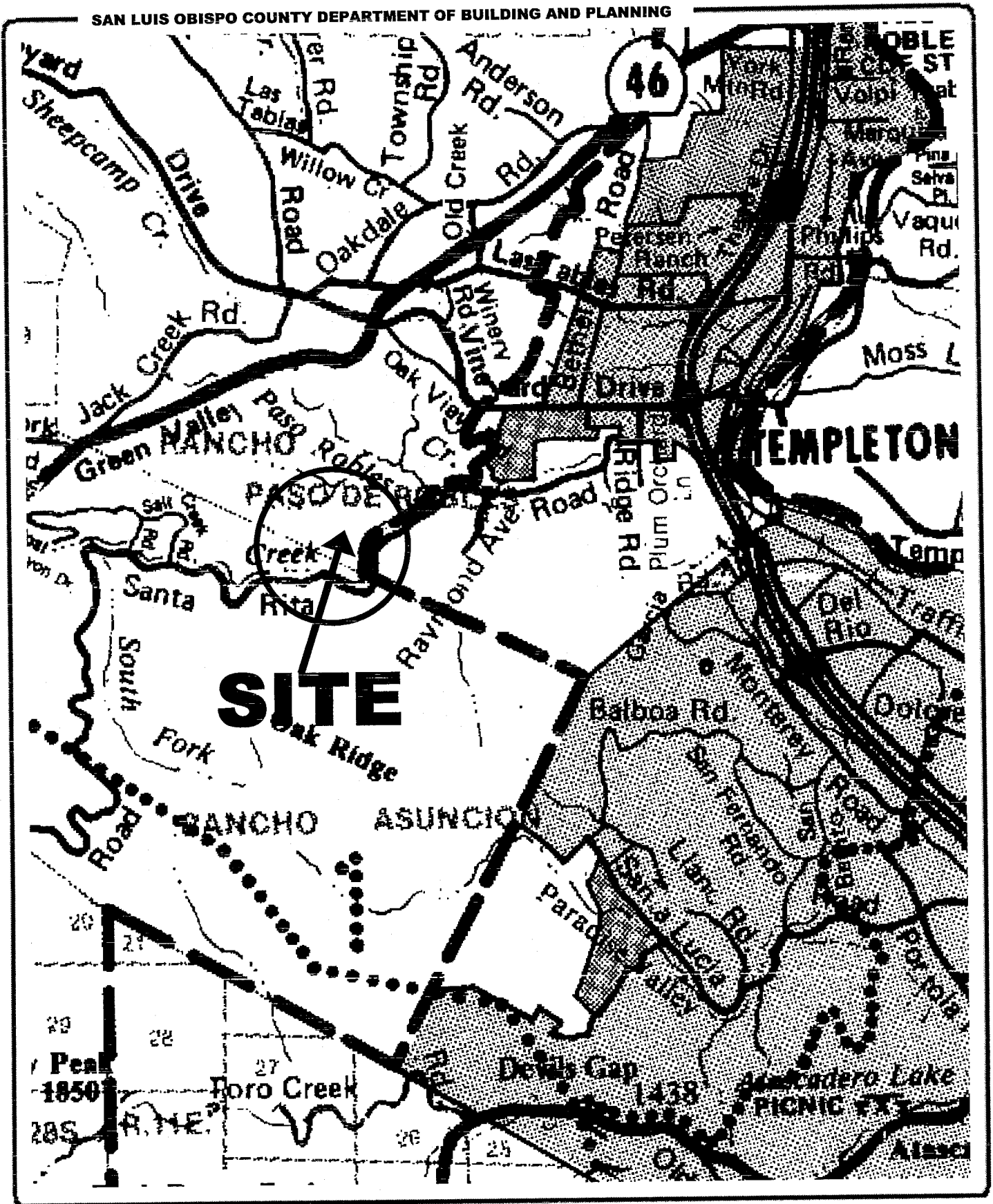
FINDINGS - EXHIBIT A

- A. The proposed Lot Line Adjustment is consistent with the provisions of Section 21.02.030 of the Real Property Division Ordinance because the project conforms to the General Plan and zoning and building ordinances and the resulting parcels maintain a position which is equal to or better to the condition of the parcels prior to the approval of the lot line adjustment.
- B. The proposal will have no adverse effect on adjoining properties, roadways, public improvements, or utilities.
- C. Compliance with the attached conditions will bring the proposed adjustment into conformance with the Subdivision Map Act and Section 21.02.030 of the Real Property Division Ordinance.
- D. The project qualifies for a Categorical Exemption (Class 5) pursuant to CEQA Guidelines Section 15305 because the project is a lot line adjustment on land with a slope of less than 20 percent that will not result in changes in land use or density.

CONDITIONS - EXHIBIT B

1. This adjustment may be effectuated by recordation of a parcel map or recordation of certificates of compliance. If a map is filed, it shall show:
 - a. All public utility easements.
 - b. All approved street names.
2. Any private easements described in the title report must be shown on the map, with recording data.
3. When the map is submitted for checking, or when the certificate of compliance is filed for review, provide a preliminary title report to the County Engineer or the Planning Director for review.
4. All conditions of approval herein specified are to be complied with prior to the recordation of the map or certificates of compliance which effectuate the adjustment. Recordation of a map is at the option of the applicant. However, if a map is not filed, recordation of a certificate of compliance is mandatory.
5. The map or certificates of compliance shall be filed with the County Recorder prior to transfer of the adjusted portions of the property or the conveyance of the new parcels.
6. In order to consummate the adjustment of the lot lines to the new configuration when there is multiple ownerships involved, it is required that the parties involved quitclaim their interest in one another new parcels. Any deeds of trust involving the parcels must also be adjusted by recording new trust deeds concurrently with the map or certificates of compliance.
7. If the lot line adjustment is finalized using certificates of compliance, prior to final approval the applicant shall prepay all current and delinquent real property taxes and assessments collected as real property taxes when due prior to final approval.
8. The lot line adjustment will expire two years (24 months) from the date of the approval, unless the map or certificates of compliance effectuating the adjustment is recorded first. Adjustments may be granted a single one year extension of time. The applicant must submit a written request with appropriate fees to the Planning Department prior to the expiration date.
9. All timeframes on completion of lot line adjustments are measured from the date the Review Authority approves the lot line adjustment map, not from any date of possible reconsideration action
10. All parcels shall be provided with legal access from a public road. Easements or offers of dedication with a minimum width of 20 feet shall be recorded for all parcels that currently do not have access. These shall be shown on a map (if a map is used to final the adjustment) or recorded with the certificates of compliance.

Staff report prepared by Holly Phipps and reviewed by Kami Griffin.



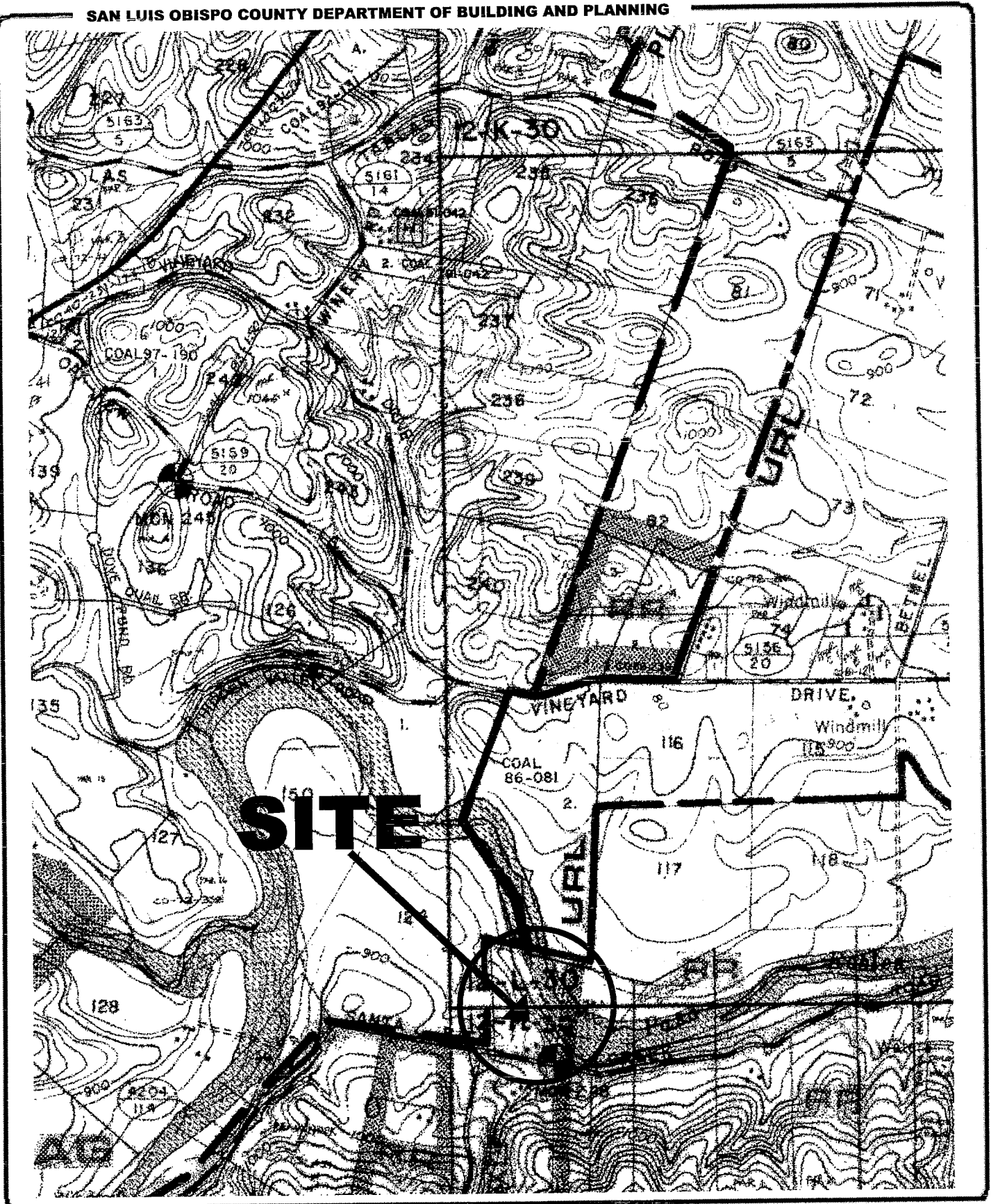
PROJECT

Lot Line Adjustment
Enloe SUB2005-00042



EXHIBIT

Vicinity Map



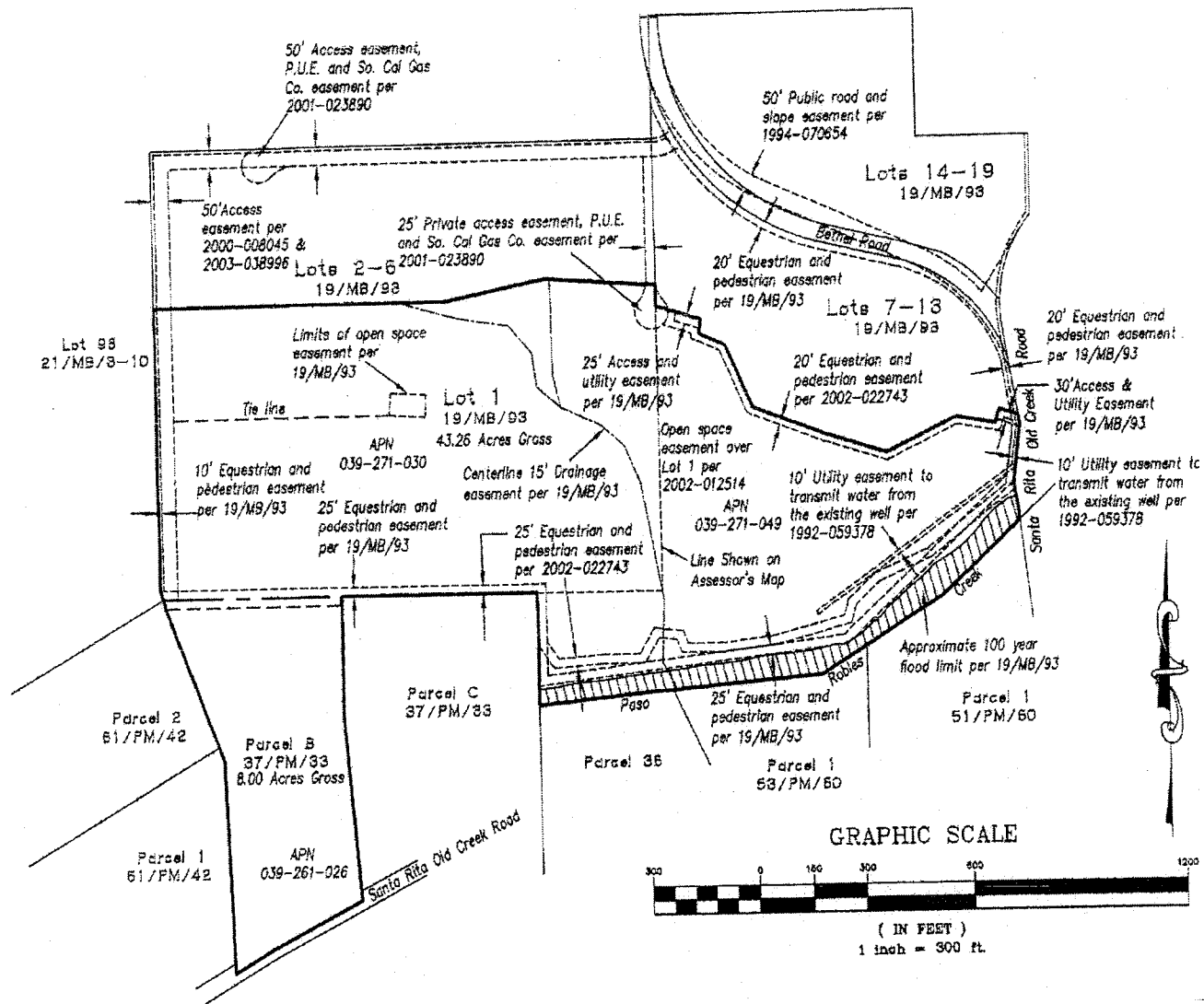
PROJECT

Lot Line Adjustment
Enloe SUB2005-00042



EXHIBIT

Land use Category

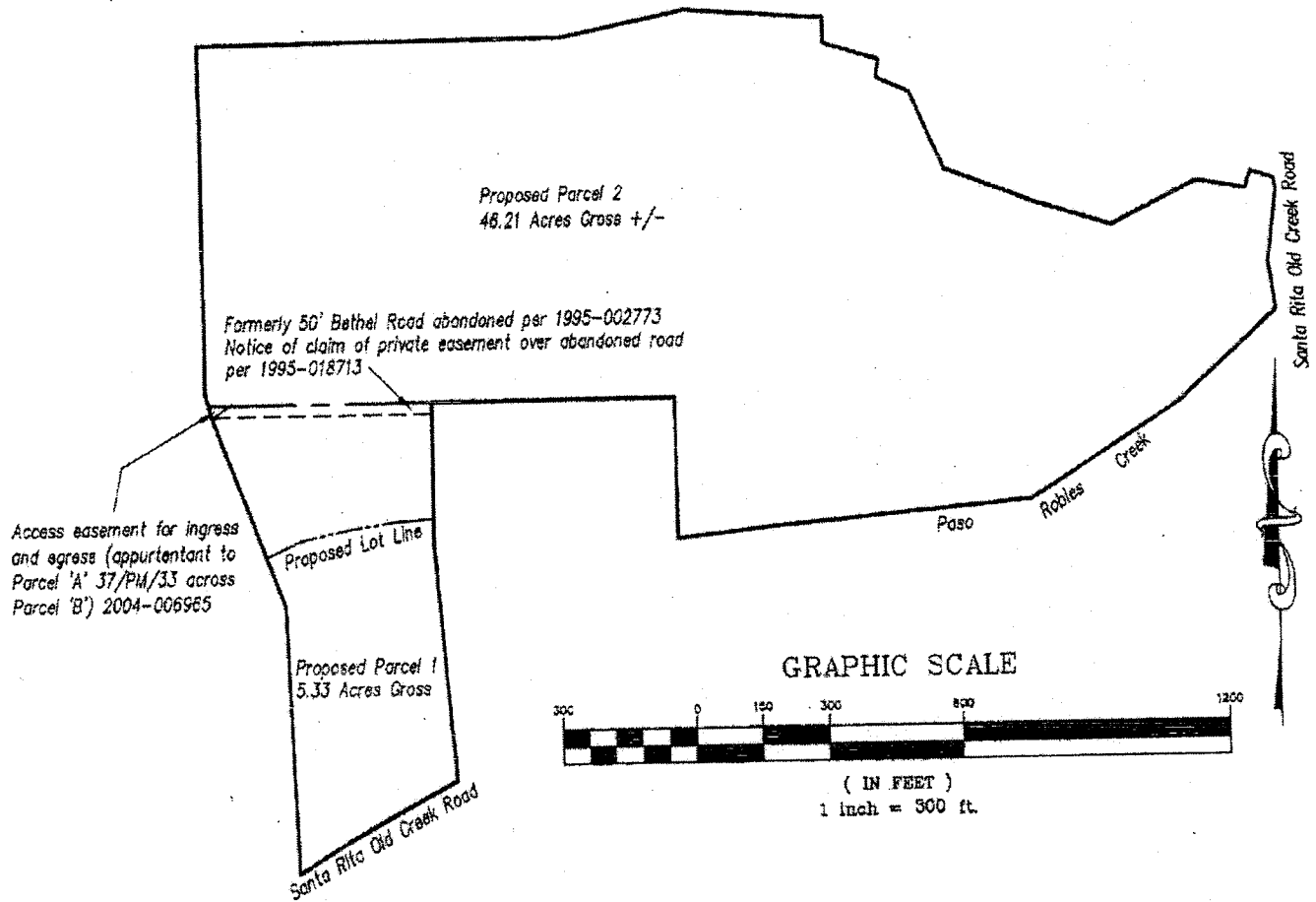


Lot Line Adjustment
Enloe SUB2005-00042



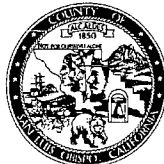
Existing Lot Lines

Proposed Parcels



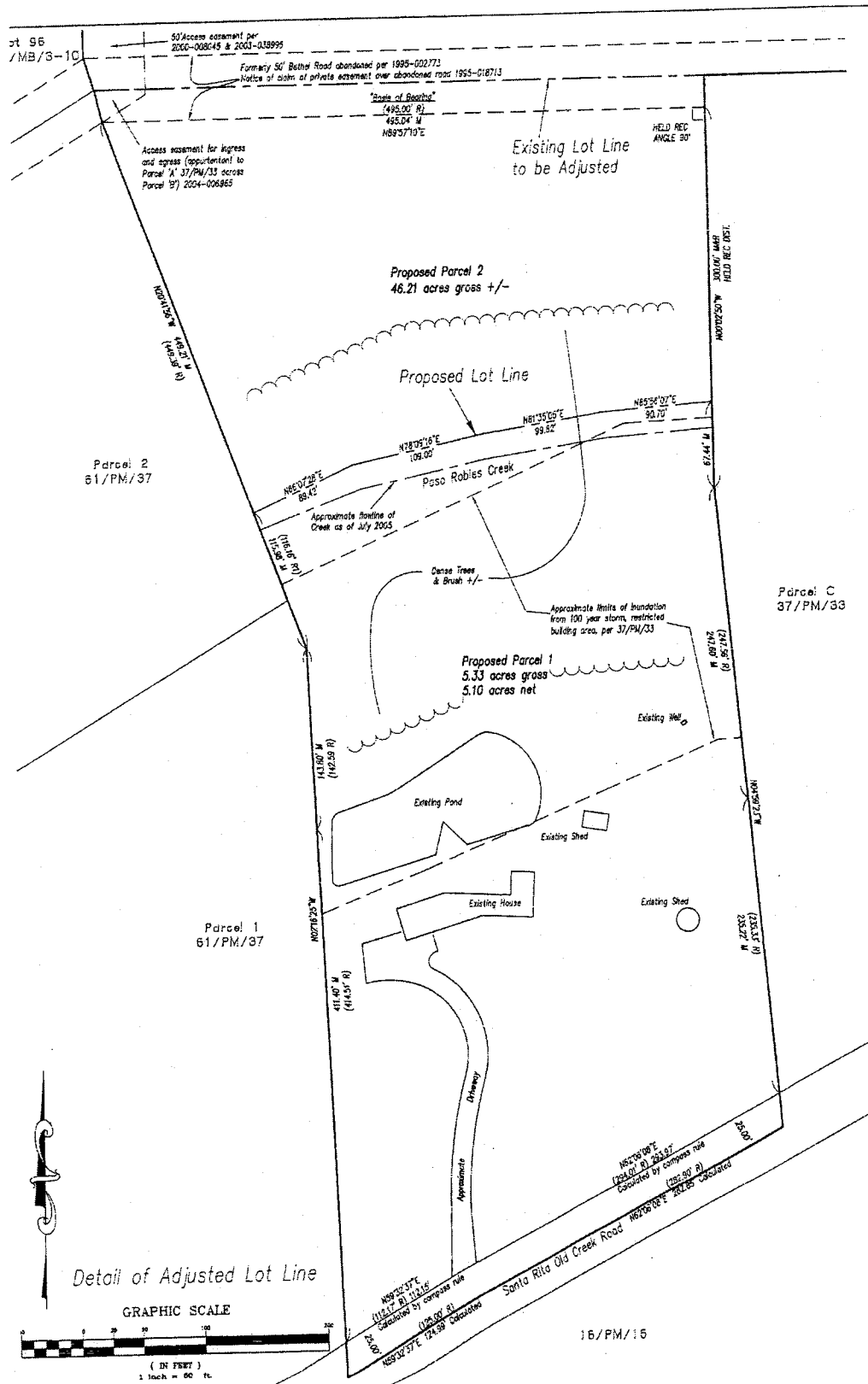
PROJECT

Lot Line Adjustment
Enloe SUB2005-00042



EXHIBIT

Existing Lot Lines



PROJECT

Lot Line Adjustment
Enloe SUB2005-00042



EXHIBIT

Lot Line Detail



SAN LUIS OBISPO COUNTY
DEPARTMENT OF PLANNING AND BUILDING

VICTOR HOLANDA, AICP
DIRECTOR

AUG 29 2005
THIS IS A NEW PROJECT REFERRAL

DATE:

8/25/05

FROM

PW

FROM
LO

North Co. Team

(Please direct response to the above)

ENLOE

SUB 2005-00042/COAL 05-
Project Name and Number 0266

Development Review Section (Phone: 781-788-2009)

*OR ASK THE SWITCH-
BOARD FOR THE PLANNER

PROJECT DESCRIPTION: Lot line adjustment located off
Bethel & Old Creek Rd., outside Templeton. 66 acre site.
APNs: 039-261-026, 039-271-030 & 049.

Return this letter with your comments attached no later than:

9/9/05

PART I

IS THE ATTACHED INFORMATION ADEQUATE FOR YOU TO DO YOUR REVIEW?

☒ YES
☐ NO

(Please go on to Part II)

(Call me ASAP to discuss what else you need. We have only 30 days in which we must accept the project as complete or request additional information.)

PART II

ARE THERE SIGNIFICANT CONCERNS, PROBLEMS OR IMPACTS IN YOUR AREA OF REVIEW?

☒ NO
☐ YES

(Please go on to Part III)

(Please describe impacts, along with recommended mitigation measures to reduce the impacts to less-than-significant levels, and attach to this letter.)

PART III

INDICATE YOUR RECOMMENDATION FOR FINAL ACTION. Please attach any conditions of approval you recommend to be incorporated into the project's approval, or state reasons for recommending denial. IF YOU HAVE "NO COMMENT," PLEASE INDICATE OR CALL.

Recommend Approval - There does not appear to be anything
involved that affects public works. Use std lot line adjust conditions.

26 SEPT 2005
Date

Goodwin
Name

5252
Phone

DOC#: **2005050515**



Titles: 1 Pages: **10**

Fees	0.00
Taxes	0.00
Others	0.00
PAID	\$0.00

RECORDING REQUESTED BY AND
WHEN RECORDED RETURN TO:
CO. CLERK

IN THE BOARD OF SUPERVISORS
COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA

Tues day June 14, 2005

PRESENT: Supervisors Harry L. Ovitt, Jerry Lenthall, K.H. "Katcho" Achadjian,
James R. Patterson and Chairperson Shirley Bianchi

ABSENT: None

RESOLUTION NO. 2005-168

**RESOLUTION APPROVING AMENDMENT NO. 1 (RELATING TO LOT 1) TO THE
OPEN SPACE AGREEMENT GRANTING AN OPEN SPACE EASEMENT TO THE
COUNTY OF SAN LUIS OBISPO FOR TRACT 2365**

The following Resolution is hereby offered and read:

WHEREAS, the Director of Planning and Building by letter dated June 14,
2005, has duly recommended that the Board of Supervisors enter into the above-mentioned
amendment.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED by the Board of
Supervisors of the County of San Luis Obispo, State of California, as follows:

1. That the Amendment No. 1 (relating to Lot 1) to the Open Space Agreement
Granting an Open Space Easement to the County Of San Luis Obispo for Tract 2365, a copy of
which is attached hereto and incorporated by reference herein as though set forth in full, is hereby
approved by the County of San Luis Obispo and the Chairperson of the Board of Supervisors is
hereby authorized and directed to execute said amendment on behalf of the County of San Luis
Obispo.

2. That the County Clerk is hereby authorized and directed to record this resolution and the above amendment in the office of the County Recorder of the County of San Luis Obispo.

Upon motion of Supervisor Ovitt, seconded by Supervisor Achadjian,
and on the following roll call votes, to-wit:

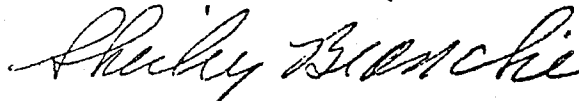
AYES: Supervisors Ovitt, Achadjian, Lenthall, Patterson, Chairperson Bianchi

NOES: None

ABSENT: None

ABSTAINING: None

the foregoing resolution is hereby adopted.


Chairperson of the Board of Supervisors

ATTEST:

JULIE L. RODEWALD
County Clerk and Ex-Officio Clerk
of the Board of Supervisors, County
of San Luis Obispo, State of California

By: C. Christensen Deputy Clerk

APPROVED AS TO FORM AND LEGAL EFFECT:

JAMES B. LINDHOLM, JR.
County Counsel

By: 
Deputy County Counsel

Dated: 5-24-05

A:ATR1710.MIT

STATE OF CALIFORNIA) COUNTY OF SAN LUIS OBISPO) ss
I, JULIE L. RODEWALD, County Clerk of the above entitled County, and Ex-Officio Clerk of the Board of Supervisors, do hereby certify the foregoing to be a full and correct copy of an order entered in the minutes of said Board of Supervisors, and now on file of record in my office.
Witness, my hand and seal of said Board of Supervisors this <u>6/20/2005</u>
JULIE L. RODEWALD County Clerk and Ex-Officio Clerk of the Board of Supervisors
By: <u>C. Christensen</u> Deputy Clerk

RECORDING REQUESTED BY:

County of San Luis Obispo

AND WHEN RECORDED MAIL TO:

Clerk of the Board of Supervisors
County of San Luis Obispo
County Government Center
San Luis Obispo, CA 93408

APN: 039-271-030
039-271-049

AMENDMENT NO. 1 (RELATING TO LOT 1) TO THE OPEN-SPACE
AGREEMENT GRANTING AN OPEN-SPACE EASEMENT
TO THE COUNTY OF SAN LUIS OBISPO FOR TRACT 2365

THIS AMENDMENT is made and entered into this 14th day of June,
2006, by and between STEPHEN E. OLSON and BRENDA A. OLSON, hereinafter
referred to as "Owner," and the COUNTY OF SAN LUIS OBISPO, a political subdivision
of the State of California, hereinafter referred to as "County."

WITNESSETH:

WHEREAS, on February 5, 2002, the Board of Supervisors duly adopted
Resolution No. 2002-55 whereby the County entered into an "Open-Space Agreement
Granting An Open-Space Easement To The County Of San Luis Obispo" (hereinafter
referred to as the "Original Agreement"), which was recorded as Document No. 2002-
012514 on February 15, 2002, of the Official Records in the office of the County
Recorder of the County of San Luis Obispo and which is incorporated by reference
herein as though set forth in full; and

WHEREAS, Owner is the successor in interest to the original Subdivider as to
Lot 1 of Tract 2365 (which was subdivided by a map recorded February 15, 2002 in

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Book 19, Page 93 of Maps, in the office of the San Luis Obispo County Recorder) and, as such, is bound by the terms and provisions of the Original Agreement; and

WHEREAS, at the request of Owner, the Board of Supervisors held a public hearing and duly adopted Resolution No. 2004-359 on November 9, 2004, wherein the Board revised and amended the original development plan and subdivision conditions of approval eliminating certain restrictions and prohibitions on Lot 1 of the Subject Property.

WHEREAS, Owner and County desire to make certain amendments to the Original Agreement as it relates to Lot 1, while otherwise continuing the Original Agreement in full force and effect; and

WHEREAS, Owner has supplied County with a current title company preliminary title report or lot book guarantee listing all trust deed beneficiaries and mortgagees, if any, under prior recorded deeds of trust and mortgages on Lot 1 of Tract 2365.

NOW, THEREFORE, in consideration of the mutual promises, covenants and conditions herein contained, the parties hereto amend the Original Agreement as it relates to Lot 1 as follows:

1. Paragraph 2 of the Original Agreement is hereby amended to read as follows:

2. Restrictions on use of the Subject Property. The restrictions imposed upon the use of Lot 1 of the Subject Property by Owner and his successors in interest and the acts which Owner and his successors in interest shall refrain from doing, and permit to be done, upon Lot 1 of the Subject Property are as follows:

(a) No buildings, structures, or other improvements shall be placed, constructed, or erected upon the Subject Property except as otherwise authorized by the approved and amended development plan and subdivision map referred to above.

(b) No advertising of any kind or nature shall be located on or within the Subject Property.

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(c) Owner shall not use or permit the Subject Property to be used as range land.

(d) Owner shall not plant or permit to be planted any vegetation upon the Subject Property except irrigated farm crop production as authorized in Paragraph 3(d) below, natural or ornamental landscaping, and as otherwise authorized by the approved and amended development plan and subdivision map referred to above, and as necessary for erosion control.

(e) Except for the construction, alteration, relocation, and maintenance of public roads, private access roads, or driveways, if any, as shown on the approved and amended development plan or final subdivision map referred to above, the general topography of the landscape shall be maintained in its present condition and no grading, excavation, or topographic changes shall be made.

(f) No use of the Subject Property which will or does materially alter the landscape or other attractive scenic features of the property, other than those specified herein, shall be done or suffered.

(g) Owner shall not extract natural resources from the Subject Property, except for development of Owner's underlying water rights.

(h) Owner shall not cut timber, trees, or other natural growth, except as may be required for irrigated farm crop production as authorized in Paragraph 3(d) below and fire protection, thinning, elimination of diseased growth, and similar protective measures.

(i) Owner shall not use the Subject Property or any portion thereof as a parking lot, storage area, or dump site or otherwise deposit or allow to be deposited on the Subject Property or any portion thereof, temporarily or otherwise, anything whatsoever which is not indigenous or natural to the Subject Property.

(j) Owner shall not cover or cause the Subject Property to be covered in whole or in part with any asphalt, stone, concrete, or other material which does not constitute natural cover for the land nor otherwise disturb the natural cover of the land unless otherwise authorized by the provisions of this agreement.

(k) Except for a resubdivision involving all of Tract 2365, no further land division of a legal parcel within the Subject Property shall occur or be applied for by Owner or his successors in interest, nor shall Owner or his successors in interest otherwise convey (other than under threat of condemnation) a portion of a legal parcel within the Subject Property less than the whole to one or more parties or convey a legal parcel within the Subject Property to two or more parties each of whom acquire title to less than the whole

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of said legal parcel. Any such conveyance or transfer of a legal parcel within the Subject Property or a portion thereof by Owner or his successors in interest shall be considered null and void.

2. Paragraph 3 of the Original Agreement is hereby amended to read as follows:

3. Reservations of use by Owner. Notwithstanding the provisions of paragraph 2 above, the following property rights in Lot 1 of the Subject Property are excepted from this grant and are expressly reserved to Owner:

(a) The right to maintain all existing private roads, bridges, trails, and structures lawfully erected and maintained upon the Subject Property.

(b) The right to construct, develop, and maintain all roads, utilities, structures, and other improvements authorized in the approved development plan and final subdivision map referred to above, and any amendments or modifications thereto which may be approved by the County.

(c) The right to construct, develop, and maintain private water sources and water systems on the Subject Property for the use and benefit of the Subject Property and the clustered lots authorized to be created by the approved development plan and final subdivision map referred to above.

(d) The right to plant and use, or permit to be planted and used, Lot 1 of the Subject Property for irrigated farm crop production. Provided, however, any irrigated farm crop production on Lot 1 shall be located not closer than two hundred fifty (250) feet to the nearest adjacent residential structure and not closer than six hundred (600) feet to any future school facilities. Provided, further, no more than one agricultural accessory structure shall be permitted on Lot 1 and it shall be located no more than one hundred (100) feet from the residential designated building site on Lot 1. The agricultural accessory structure shall not exceed three thousand (3,000) square feet and the height of the building must not exceed one story.

(e) The right to the use and occupancy of Lot 1 of the Subject Property, subject to the conditions and restrictions imposed in this agreement.

3. Paragraph 15 of the Original Agreement is hereby amended to read as follows:

15. Notices. Unless otherwise provided, all notices herein required shall be in writing, and delivered in person or sent by United States first class mail, postage prepaid. Notices required to be given to County shall be addressed as follows: Director of Planning and Building, County of San Luis Obispo, County Government Center, Room 310, San Luis

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Obispo, California 93408. Notices required to be given to the owner of Lot 1 shall be addressed as follows: Stephen E. Olson, 8098 Lido Lane, Long Beach, California 90803.

Provided that any party may change such address by notice in writing to the other party and thereafter notices shall be addressed and transmitted to the new address.

4. Except as expressly amended herein, all provisions of the Original Agreement shall remain in full force and effect.

5. This amendment sets forth the full and entire understanding of the parties regarding the matter set forth herein, and any other prior or existing understandings or agreements by the parties, whether formal or informal, regarding any of said matters are hereby superseded or terminated in their entirety.

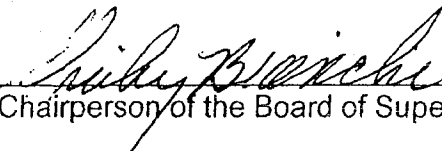
IN WITNESS WHEREOF, the parties hereto have executed this amendment as of this day and year first above written.

OWNER


STEPHEN E. OLSON


BRENDA A. OLSON

COUNTY OF SAN LUIS OBISPO

By: 
Chairperson of the Board of Supervisors

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ATTEST:

JULIE L. RODEWALD

Clerk of the Board of Supervisors

By: CM Christensen
Deputy Clerk

APPROVED AS TO FORM AND LEGAL EFFECT:

JAMES B. LINDHOLM, JR.
County Counsel

By: [Signature]
Deputy County Counsel

Dated: 5.24.05

APPROVED AS TO CONTENT:

VICTOR HOLANDA, AICP
Director of Planning and Building

By: Victor Holanda

Dated: 5-23-05

[NOTE: This amendment will be recorded. All signatures to this amendment must be acknowledged by a notary.]

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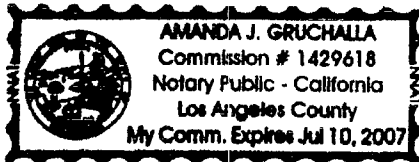
STATE OF CALIFORNIA)
)
COUNTY OF ORANGE) ss.

On May 13, 2005 before me, Amanda J. Gruchalla, a Notary Public for the State of California, personally appeared Brenda A. Olson and Stephen E. Olson personally known to me to be the persons whose names are subscribed to the within instrument and acknowledged to me that they executed the same in their authorized capacities and that by their signature on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

Amanda J. Gruchalla

Amanda J. Gruchalla
Notary Public
State of California



(SEAL)

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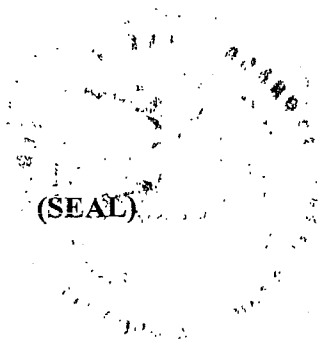
STATE OF CALIFORNIA)
) ss.
COUNTY OF SAN LUIS OBISPO)

On June 14, 2005, before me, **C.M. Christensen**, Deputy County Clerk-Recorder, County of San Luis Obispo, State of California, personally appeared **Shirley Bianchi** personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacities, and that by his signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.

JULIE L. RODEWALD, County Clerk-Recorder and Ex-Officio Clerk of the Board of Supervisors

By: *C M Christensen*
Deputy County Clerk-Recorder



END OF DOCUMENT



Fidelity National Title Company

FACSIMILE TRANSMISSION

ATTN: Jeremy Freund
Wallace Group
544-4244
FROM: Debbie York

DATE: June 6, 2005
NO. OF PAGES: 19 - Including coversheet
ESCROW NO: 187655-DPY
TITLE ORDER NO: 00187655

RE: Steve Olson

Preliminary Report on Olson property
Preliminary Report on Enloe property

NOTE: If there are any questions concerning this transmission please call Debbie at (805) 462-5900

PLEASE NOTE: In the event any of these pages require an **ORIGINAL SIGNATURE**, please copy the fax transmittal page(s) and sign on the **PHOTO COPY** and return to us with the original signature.

THANK YOU.

CONFIDENTIALITY NOTICE

The information contained in this facsimile is legally privileged and confidential information intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copy of this facsimile is strictly prohibited. If you have received this facsimile in error, please immediately notify us by telephone and return the original facsimile to us at the address above via the United States Postal Service. Thank you.



Fidelity National Title Company

PRELIMINARY REPORT

*In response to the application for a policy of title insurance referenced herein, **Fidelity National Title Company** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.*

The printed Exceptions and Exclusions from the coverage of said Policy or Policies are set forth in Exhibit A attached. Copies of the Policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The Policy(s) of title insurance to be issued hereunder will be policy(s) of Fidelity National Title Insurance Company, a California Corporation.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.


COUNTERSIGNED



Fidelity National Title Company

BY


President

ATTEST


Secretary



Fidelity National Title Company

6500 Morro Road • Atascadero, CA 93422
(805) 462-5900 • FAX (805) 462-5907

PRELIMINARY REPORT

ESCROW OFFICER: Debbie Pittenger York
TITLE OFFICER: Richard Lundbeck

ORDER NO.: 187656

LOAN NO.:

TO: Stephen E. Olson
3020 Old Ranch Parkway, Suite 400
Seal Beach, CA 90740

YOUR REFERENCE.: 187656-DPY

SHORT TERM RATE: Yes

PROPERTY ADDRESS: Vacant, Templeton, California

EFFECTIVE DATE: May 19, 2005, 07:30 A.M.

The form of Policy or Policies of title insurance contemplated by this report is:

California Land Title Association Standard Coverage Policy - 1990

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

A-FEE as to Parcel(s) 1;

AN EASEMENT more fully described below as to Parcel(s) 2, 3, 4, and 5

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

Stephen E. Olson and Brenda A. Olson, husband and wife, as joint tenants

3. THE LAND REFERRED TO IN THIS REPORT IS SITUATED IN THE UN-INCORPORATED AREA, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

SEE EXHIBIT "ONE" ATTACHED HERETO AND MADE A PART HEREOF

nm\nm 05/31/2005

EXHIBIT "ONE"**PARCEL 1:**

X Lot 1 of Tract No. 2365, in the County of San Luis Obispo, State of California, according to map recorded February 15, 2002 in Book 19, Page 93, in the Office of the County Recorder of said County.

PARCEL 2:

An easement for ingress, egress, and public utilities over that portion of Lots 2, 3, 4, 5, and 6 shown on the map of Santa Rita Meadows-Tract No. 2365, referred to above and more commonly known as Paradise Meadows Lane.

PARCEL 3:

An easement for ingress, egress and public utilities over Lot 2 as shown on the map of Santa Rita Meadows-Tract No. 2365, referred to above and shown on said map as "Existing 50' Access Easement per deed recorded February 16, 2000 as Instrument No. 2000-008045 of Official Records.

PARCEL 4:


An easement for ingress, egress and public utilities over a portion of Lots 1, 6, 7 and 13, as said easement is shown as Sierra Meadows Lane on the Map of said Santa Rita Meadows-Tract No. 2365, referred to above.

Excepting therefrom that portion lying within Lot 1 of said Santa Rita Meadows-Tract No. 2365, referred to above.

PARCEL 5:

An easement for equestrian and pedestrian purposes, as shown on the Map of Santa Rita Meadows-Tract No. 2365 as "10', 20' and 25' Equestrian/pedestrian trails easement", on the map of said tract.

Assessor's Parcel No: 039-271-030,049



AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. **Property taxes**, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2005-2006.
2. **The lien of supplemental taxes**, if any, assessed pursuant to the provisions of Chapter 3.5 (Commencing with Section 75) of the Revenue and Taxation code of the State of California.
3. **Any adverse claim based upon the assertion that:**
 - a. Said land or any part thereof is now or at any time has been below the highest of the high watermarks of the Paso Robles Creek, in the event the boundary of said river has been artificially raised or is now or at any time has been below the high watermark, if said river is in its natural state.
 - b. Some portion of said land has been created by artificial means or has accreted to such portion so created.
 - c. Some portion of said land has been brought within the boundaries thereof by an avulsive movement of the Paso Robles Creek, or has been formed by accretion to any such portion.

Affects: A portion of said land

-
4. **Rights and easements for navigation and fishery which may exist over that portion of said land lying beneath the waters of Paso Robles Creek.**

Affects: A portion of said land

5. A "Notice of Claim of Private Easement Over Road Vacated by County of San Luis Obispo", dated May 2, 1995, executed by Claude Coray, as Trustee of the Claude Coray Trust dated November 25, 1987, recorded May 3, 1995 as Instrument No. 1995-018713 of Official Records.

Affects: A portion of Bethel Road

An abandonment of said easement, except for that portion of the original easement over Lot 19 which is located along the most Northerly 380 feet of the West boundary of Lot 19, as disclosed by Relocation of Nonexclusive Easement For Road Access, recorded February 16, 2000 as Instrument No. 2000-008045 of Official Records.

A Relocation of Non-Exclusive Easement For Road Access executed by Howard Andrew Graves, et-al recorded July 13, 2001 as Instrument No. 2001-057040 to change location of the above described easement(s).

Reference is made to said document for full particulars.

6. Any boundary discrepancies or rights which may exist or arise as disclosed by Record of Survey recorded May 9, 1991 in Book 65, Page 82 of Record of Surveys and recorded August 28, 1992 in Book 68, Page 46 of Record of Surveys.

7. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as reserved in a document;
- Reserved by: Frank L. Adams, Trustee and Esther C. Adams, Trustee, Trustees under Declaration of Trust dated December 1, 1989
- Purpose: Exclusive use of the existing water well, access to the well for maintenance, power lines to the well and for water transmission line from the well
- Recorded: August 31, 1992, Instrument No. 1992-059378, Book 3944, Page 704, of Official Records
- Affects: Said well is located near the Southeast corner of of said land herein described and access shall be over and across the existing ranch road
8. The terms and provisions set forth in the document last hereinabove referred to.
- Reference is made to said document for full particulars.
9. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document;
- Granted to: County of San Luis Obispo
- Purpose: Public road, bridges and appurtenances, and for such excavation and embankment slopes
- Recorded: December 9, 1994, Instrument No. 1994-070654, of Official Records
- Affects: A portion of the herein described land
10. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document;
- Granted to: James A. Molnar and Michelle R. Molnar, husband and wife
- Purpose: Road access
- Recorded: February 16, 2000, Instrument No. 2000-008045, of Official Records
- Affects: The Westerly 50 feet wide of said land
11. **Matters** contained in that certain document entitled "Agency Agreement for Riparian Lands" dated May 4, 2000, executed by and between Templeton Community Services District and Howard Andrew Graves recorded May 17, 2000, Instrument No. 2000-027241, of Official Records, which document, among other things, contains or provides for: Owner appoints the District its sole and exclusive agent to divert, treat if necessary and deliver all water derivative of the riparian rights to the water of the Salinas River.
- Reference is hereby made to said document for full particulars.
- Affects: A portion of said land
12. **Easement(s)** for the purpose(s) shown below and rights incidental thereto as granted in a document;
- Granted to: Southern California Gas Company, a California Corporation
- Purpose: Pipelines and conduits
- Recorded: April 11, 2001, Instrument No. 2001-023890, of Official Records
- Affects: A portion of said land within Sierra Meadows Lane

13. **Easement(s)** for the purposes(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract.
- Purpose: Access, utility, equestrian, pedestrian, pedestrian trails, private utility, drainage, private access, public utility, slope easements and open space
- Affects: Those certain portions shown on said map
14. **Recitals** as shown on that certain map recorded February 15, 2002, Book 19, Page 93, of Maps.
- Reference is made to said map for full particulars.
15. **Covenants, conditions and restrictions** (deleting therefrom any restrictions indicating any preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status or national origin) as set forth in the document
- Recorded: February 15, 2002, Instrument No. 2002-012513, of Official Records
- NOTE: If you should request a copy of the document referred to above, the California Government Code Section 12956.1 requires that a county recorder, title insurance company, escrow company, real estate broker, real estate agent, or association that provides a copy of a declaration, governing document, or deed to any person shall place a cover page or stamp on the first page of the previously recorded document or documents stating, in at least 14-point boldface type, the following:
- If this document contains any restriction based on race, color, religion, sex, familial status, marital status, disability, national origin, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12956.1 of the Government Code. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.
-
- Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.
16. **A covenant and agreement** entitled "Open-Space Agreement Granting an Open-Space easement to the County of San Luis Obispo"
- Executed by: Howard Andrew Graves and Sonja Graves, Trustees of the Andrew and Sonja Graves 2001 Trust dated May 9, 2001 and Old Creek Development, Inc., a California Corporation
- In favor of: County of San Luis Obispo
- Recorded: February 15, 2002, Instrument No. 2002-012514, of Official Records
- Which among other things provides: An Open Space and Granting an Open Space Easement
- Reference is hereby made to said document for full particulars.
17. **An irrevocable offer** to dedicate an easement over a portion of said land for Public road.
- Recorded: February 15, 2002, Instrument No. 2002-012515, of Official Records
- Affects: Bethel Road and Santa Rita Road

ITEMS: (Continued)

Order No. 187656

18. **An irrevocable offer to dedicate an easement over a portion of said land for equestrian-pedestrian.**
- Recorded: March 20, 2002, Instrument No. 2002-022743, of Official Records
Affects: Portions of said land as described therein
19. **Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document;**
- Granted to: Allen Wayne Wilhite and Monica Sharon Wilhite, husband and wife
Purpose: Ingress and egress
Recorded: April 16, 2003, Instrument No. 2003-038996, of Official Records
Affects: The Westerly 50 feet of said land
20. **Matters contained in that certain document entitled "Relocation of Nonexclusive Easement for Road Access" dated March 19, 2003, executed by and between Howard Andrew Graves and Sonja Graves, Trustees of the Andrew and Sonja Graves 2001 Trust dated May 9, 2001, Old Creek Development, Inc., a California Corporation, Dale Ekdahl and Rosanne Ekdahl, husband and wife and Allen Wayne Wilhite and Monica Sharon Wilhite, husband and wife recorded April 16, 2003, Instrument No. 2003-038996, of Official Records.**
- Reference is hereby made to said document for full particulars.
21. **Easement(s) for the purpose(s) shown below and rights incidental thereto as reserved in a document;**
- Reserved by: Howard Andrew Graves and Sonja Graves, Trustees of the Andrew and Sonja Graves 2001 Trust dated May 9, 2001
Purpose: ingress, egress, public utilities, and incidental purposes
Recorded: December 23, 2004, Instrument No. 2004-111400, of Official Records
Affects: portions of said land as shown on the map of said tract.
22. **Matters contained in that certain document entitled "Grant Deed" dated December 14, 2004, executed by Howard Andrew Graves and Sonja Graves, Trustees of the Andrew and Sonja Graves 2001 Trust dated May 9, 2001 and Stephen E. Olson and Brenda A. Olson, husband and wife as joint tenants recorded December 23, 2004, Instrument No. 2004-111400, of Official Records, which document, among other things, contains or provides for: Riparian Rights.**
- Reference is hereby made to said document for full particulars.

END OF ITEMS

- Note 1. **NOTE: The current owner does NOT qualify for the \$20.00 discount pursuant to the coordinated stipulated judgments entered in actions filed both by the Attorney General and private class action plaintiffs for the herein described property.**

Note 2. Property taxes for the fiscal year shown below are PAID. For proration purposes the amounts are:

APN: 039-271-030
Fiscal year 2004-2005
1st Installment: \$1,149.05 PAID
2nd Installment: \$1,149.05 PAID
Exemption: \$0.00
Land: \$177,282.00
Improvements: \$1,645.00
Personal Property: \$0.00
Code Area: 126-001

Affects: A portion of the land described herein.

Property taxes for the fiscal year shown below are PAID. For proration purposes the amounts are:

APN: 039-271-030
Fiscal year 2004-2005
1st Installment: \$261.22 PAID
2nd Installment: \$261.22 PAID
Exemption: \$0.00
Land: \$40,746.00
Improvements: \$0.00
Personal Property: \$0.00
Code Area: 126-001
Bill No.: 945,000,007

Affects: A portion of the land described herein.

Note 3. Property taxes for the fiscal year shown below are PAID. For proration purposes the amounts are:

APN: 039-271-049
Fiscal year 2004-2005
1st Installment: \$0.00 PAID
2nd Installment: \$0.00 PAID
Exemption: \$0.00
Land: \$0.00
Improvements: \$0.00
Personal Property: \$0.00
Code Area: 126-001

Affects: A portion of the land described herein.

Note 4. The charge for a policy of title insurance, when issued through this title order, will be based on the Short Term Rate.

Note 5. The only deeds affecting said land, which recorded within twenty-four (24) months of the date of this report, as are follows:

Grantor: Howard Andrew Graves and Sonja Graves, Trustees of the
Andrew and Sonja Graves 2001 Trust dated May 9, 2001
Grantee: Stephen E. Olson and Brenda A. Olson, husband and wife, as joint
tenants
Recorded: December 23, 2004, Instrument No. 2004-111400, of Official
Records

Note 6. NOTE: The ALTA Homeowner's Policy of Title Insurance (10-17-98) contains specific deductible amounts and specific liability maximums for Covered Risk numbers 14, 15, 16 and 18 of said policy that have been filed and approved by the various Departments of Insurance where the forms have been filed. Please consult your escrow or title officer if you have questions regarding the policy.

Note 7. The Note shown below, which recites: "California Revenue and Taxation Code Section 18668, effective January 1, 1991, requires that the buyer in all sales of California Real Estate, wherein the seller shows an out of State Address, withhold 3-1/3% of the total sales price as California State Income Tax, subject to the various provisions of the law as therein contained,"

is hereby deleted and replaced with the following:

California Revenue and Taxation Code Section 18662, effective January 1, 1994 and by amendment effective January 1, 2003, provides that the buyer in all sales of California Real Estate may be required to withhold 3 and 1/3% of the total sales price as California State Income Tax, subject to the various provisions of the law as therein contained.d

Note 8. Section 12413.1, California Insurance Code became effective January 1, 1990. This legislation deals with the disbursement of funds deposited with any title entity acting in an escrow or subescrow capacity. The law requires that all funds be deposited and collected by the title entity's escrow and/or subescrow account prior to disbursement of any funds. Some methods of funding may subject funds to a holding period which must expire before any funds may be disbursed. In order to avoid any such delays, all fundings should be done through wire transfer, certified check or checks drawn on California financial institutions.

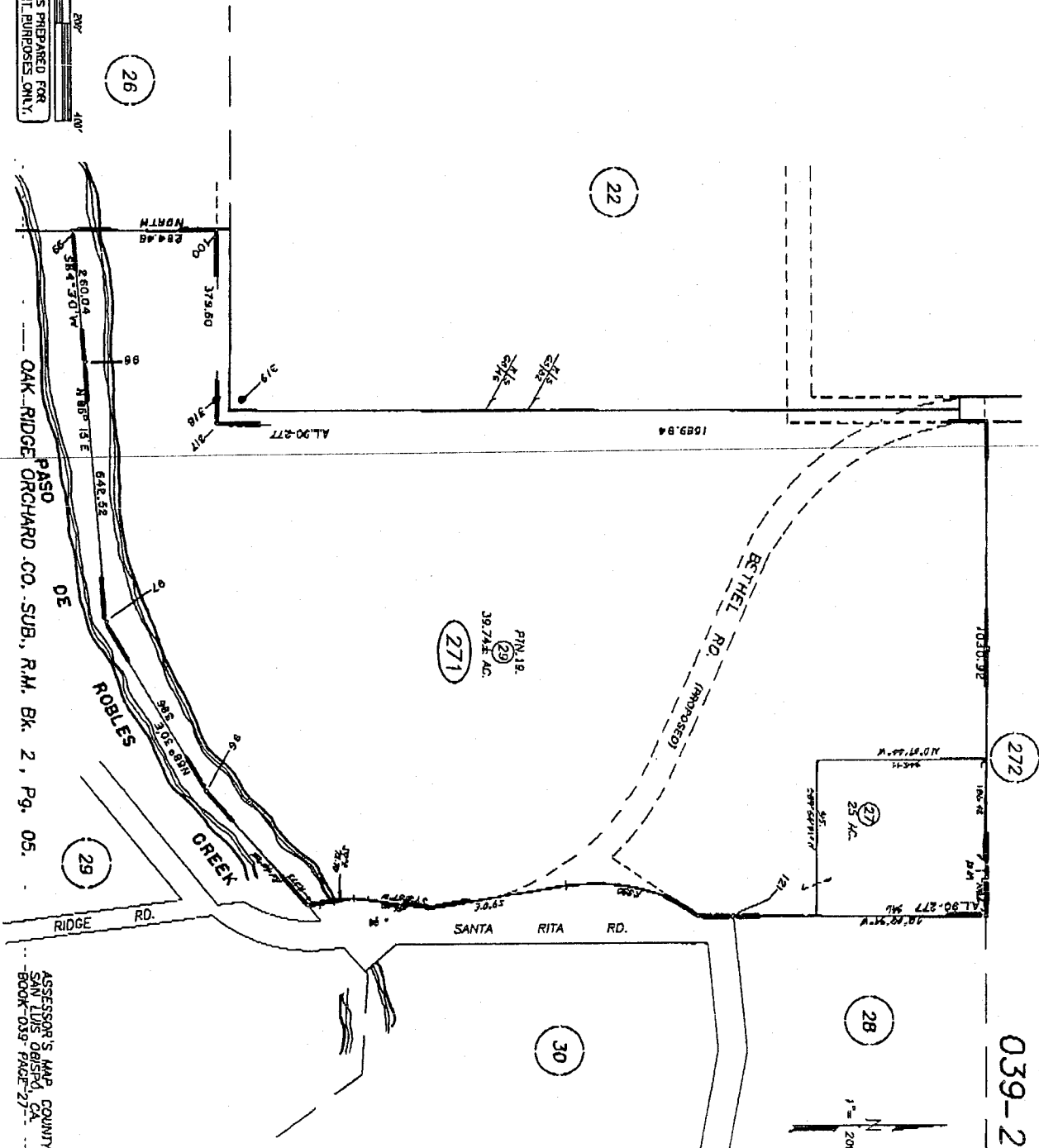
Note 9. The charge where an order is cancelled after the issuance of the report of title, will be that amount which in the opinion of the Company is proper compensation for the services rendered or the purpose for which the report is used, but in no event shall said charge be less than the minimum amount required under Section 12404.1 of the Insurance Code of the State of California. If the report cannot be cancelled "no fee" pursuant to the provisions of said Insurance Code, then the minimum cancellation fee shall be that permitted by law.

Note 10. California Revenue and Taxation Code Section 18662, effective January 1, 1994 and by amendment effective January 1, 2003, provides that the buyer in all sales of California Real Estate may be required to withhold 3 and 1/3% of the total sales price as California State Income Tax, subject to the various provisions of the law as therein contained.

REVISIONS		
NO.	DATE	BY
1	01-01-01	AW

100' 200' 400'

AW
01-01-01
THIS MAP IS PREPARED FOR
ASSESSMENT PURPOSES ONLY.





Fidelity National Title Company

PRELIMINARY REPORT

*In response to the application for a policy of title insurance referenced herein, **Fidelity National Title Company** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.*

The printed Exceptions and Exclusions from the coverage of said Policy or Policies are set forth in Exhibit A attached. Copies of the Policy forms should be read. They are available from the office which issued this report.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

The Policy(s) of title insurance to be issued hereunder will be policy(s) of Fidelity National Title Insurance Company, a California Corporation.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects and encumbrances affecting title to the land.


COUNTERSIGNED



Fidelity National Title Company

BY


President

ATTEST


Secretary



Fidelity National Title Company

6500 Morro Road • Atascadero, CA 93422
(805) 462-5900 • FAX (805) 462-5907

PRELIMINARY REPORT

ESCROW OFFICER: Debbie Pittenger York
TITLE OFFICER: Richard Lundbeck

ORDER NO.: 187655

LOAN NO.:

TO: Stephen E. Olson
3020 Old Ranch Parkway, Suite 400
Seal Beach, CA 90740

ATTN: Steve Olson ex 207
YOUR REFERENCE.: 187655-DPY

SHORT TERM RATE: Yes

PROPERTY ADDRESS: 1680 Santa Rita Road, Templeton, California

EFFECTIVE DATE: May 19, 2005, 07:30 A.M.

The form of Policy or Policies of title insurance contemplated by this report is:

California Land Title Association Standard Coverage Policy - 1990

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

A Fee

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

James L. Enloe and I. Margaret Enloe, Trustees of the James L. and I. Margaret Enloe Family Trust

3. THE LAND REFERRED TO IN THIS REPORT IS SITUATED IN THE UN-INCORPORATED AREA, IN THE COUNTY OF SAN LUIS OBISPO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

SEE EXHIBIT "ONE" ATTACHED HERETO AND MADE A PART HEREOF

amy\amy 05/27/2005

Order No. 187655

EXHIBIT "ONE"**PARCEL 1:**

Parcel B of Parcel Map CO-83-233, in the County of San Luis Obispo, State of California, according to map recorded May 10, 1985 in Book 37, page 33 of Parcel Maps, in the Office of the County Recorder of said County.

Excepting therefrom all oil, gas and other hydrocarbons and minerals now or at any time hereafter situated therein or thereunder as excepted in the deed from California Lands, Inc., a Corporation, recorded December 29, 1938 in Book 248, page 391 of Official Records, without the surface rights to the parcel of land above described and for a distance of not more than 500 feet in depth and nothing herein contained shall in any way be construed to prevent, hinder, or delay the free and unlimited at any levels 500 feet or more below the surface of said land for the removal of all oil, gas, minerals and other hydrocarbons situated therein or thereunder or producible therefrom, together with all water necessary in connection with its drilling or mining operations thereunder as recorded in deed to Richard M. Morris, et al., on August 5, 1985 in Book 2735, page 786 of Official Records.

PARCEL 2:

That portion of Bethal Road abandoned pursuant to Resolution of the Board of Supervisors of the County of San Luis Obispo, recorded January 23, 1995 as document no. 1995-002773 of Official Records, that would pass by a conveyance of Parcel 1.

Assessor's Parcel No: 039-261-026



Order No. 187655

AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. **Property taxes**, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2005-2006.
 2. **The lien of supplemental taxes**, if any, assessed pursuant to the provisions of Chapter 3.5 (Commencing with Section 75) of the Revenue and Taxation code of the State of California.
 3. **Any adverse claim** based upon the assertion that:
 - a. Said land or any part thereof is now or at any time has been below the highest of the high watermarks of the Paso Robles Creek, in the event the boundary of said river has been artificially raised or is now or at any time has been below the high watermark, if said river is in its natural state.
 - b. Some portion of said land has been created by artificial means or has accreted to such portion so created.
 - c. Some portion of said land has been brought within the boundaries thereof by an avulsive movement of the Paso Robles Creek, or has been formed by accretion to any such portion.
 4. **Rights and easements** for navigation and fishery which may exist over that portion of said land lying beneath the waters of Paso Robles Creek.
-
5. **Easement(s)** for the purposes(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract.

Purpose:	approximate limits of inundation from 100 year storm-Restricted Building Area
Affects:	A portion of said land
 6. **Recitals** as shown on that certain map recorded May 10, 1985, Book 37, Page 33, of Parcel Maps.

Reference is made to said map for full particulars.
 7. **Matters** contained in that certain document entitled "Notice of Claim of Private Easement" dated , executed by Claude Cray, Trustee recorded May 3, 1995, Instrument No. 1995-018713, of Official Records.

Reference is hereby made to said document for full particulars.

Affects: Parcel 2

ITEMS: (Continued)

Order No. 187655

8. A deed of trust to secure an indebtedness in the amount shown below, and any other obligations secured thereby

Amount: \$250,000.00
 Dated: February 26, 2001
 Trustor: James L. Enloe and I. Margaret Enloe, Trustees of the James L. and I. Margaret Enloe Family Trust
 Trustee: MSB Properties, Inc.
 Beneficiary: Mid-State Bank
 Address: P.O. Box 6001, 564 Camino Mercado
 Arroyo Grande, CA 93420
 Loan No.: none
 Recorded: March 2, 2001, Instrument No. 2001-012816, of Official Records

To avoid delays at the time of closing, if the above deed of trust is an Equity Line/Line of Credit, it will be necessary that all checks, passbooks, credit cards together with instructions to close the account be submitted prior to the close of escrow.

In order to expedite compliance with the above, please do the following:

- (a) Request that the account be frozen
- (b) Obtain a statement from the lender that no advances have been made after the issuance of the demand for payoff
- (c) Upon delivery of the payoff check obtain a full reconveyance
- (d) In that said deed of trust, under a design line agreement, may secure more than one note, make inquiry when requesting the demand as to the existence of more than one note.

Note: Amended Civil Code Section 2941, which becomes effective on January 1, 2002, sets the fee for the processing and recordation of the reconveyance of each Deed of Trust being paid off through this transaction at \$45.00. The reconveyance fee must be clearly set forth in the Beneficiary's Payoff Demand Statement ("Demand"). In addition, an assignment or authorized release of that fee, from the Beneficiary to the Trustee of record, must be included. An example of the required language is as follows:

"The Beneficiary identified above hereby assigns, releases or transfers to the Trustee of record, the sum of \$45.00, included herein as 'Reconveyance Fees', for the processing and recordation of the Reconveyance of the Deed of Trust securing the indebtedness covered hereby, and the escrow company or title company processing this pay-off is authorized to deduct the Reconveyance Fee from this Demand and forward said fee to the Trustee of record or the successor Trustee under the Trust Deed to be paid off in full."

In the event that the reconveyance fee and the assignment, release or transfer thereof are not included within the demand statement, then Fidelity National Title Insurance Company and its Underwritten Agent may decline to process the reconveyance and will be forced to return all documentation directly to the Beneficiary for compliance with the requirements of the revised statute.

9. Easement(s) for the purpose(s) shown below and rights incidental thereto as granted in a document;

Granted to: Allen Wayne Wilhite and Monica Sharon Wilhite, husband and wife, as joint tenants
 Purpose: Access, ingress and egress
 Recorded: January 29, 2004, Instrument No. 2004-006965, of Official Records
 Affects: A portion of said land

ITEMS: (Continued)

Order No. 187655

10. Any invalidity or defect in the title of the vestees in the event that the trust referred to herein is invalid or fails to grant sufficient powers to the trustee(s) or in the event there is a lack of compliance with the terms and provisions of the trust instrument.

If title is to be insured in the trustee(s) of a trust, (or if their act is to be insured), this Company will require a **Trust Certification pursuant to California Probate Code Section 18100.5**. The Company reserves the right to except additional items and/or make additional requirements after reviewing said documents.

END OF ITEMS

- Note 1. NOTE: The current owner does NOT qualify for the \$20.00 discount pursuant to the coordinated stipulated judgments entered in actions filed both by the Attorney General and private class action plaintiffs for the herein described property.

- Note 2. Property taxes for the fiscal year shown below are PAID. For proration purposes the amounts are:

APN:	039-261-026
Fiscal year	2004-2005
1st Installment:	\$4,484.99 PAID
2nd Installment:	\$4,484.99 PAID
Exemption:	\$7,000.00
Land:	\$323,246.00
Improvements:	\$383,316.00
Personal Property:	\$0.00
Code Area:	126-001

- Note 3. The charge for a policy of title insurance, when issued through this title order, will be based on the Short Term Rate.

- Note 4. There are NO deeds affecting said land, recorded within twenty-four (24) months of the date of this report.

- Note 5. NOTE: The ALTA Homeowner's Policy of Title Insurance (10-17-98) contains specific deductible amounts and specific liability maximums for Covered Risk numbers 14, 15, 16 and 18 of said policy that have been filed and approved by the various Departments of Insurance where the forms have been filed. Please consult your escrow or title officer if you have questions regarding the policy.

- Note 6. The Note shown below, which recites: "California Revenue and Taxation Code Section 18668, effective January 1, 1991, requires that the buyer in all sales of California Real Estate, wherein the seller shows an out of State Address, withhold 3-1/3% of the total sales price as California State Income Tax, subject to the various provisions of the law as therein contained,"

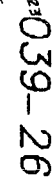
is hereby deleted and replaced with the following:

California Revenue and Taxation Code Section 18662, effective January 1, 1994 and by amendment effective January 1, 2003, provides that the buyer in all sales of California Real Estate may be required to withhold 3 and 1/3% of the total sales price as California State Income Tax, subject to the various provisions of the law as therein contained.

ITEMS: (Continued)

Order No. 187655

- Note 7.** Section 12413.1, California Insurance Code became effective January 1, 1990. This legislation deals with the disbursement of funds deposited with any title entity acting in an escrow or subescrow capacity. The law requires that all funds be deposited and collected by the title entity's escrow and/or subescrow account prior to disbursement of any funds. Some methods of funding may subject funds to a holding period which must expire before any funds may be disbursed. In order to avoid any such delays, all fundings should be done through wire transfer, certified check or checks drawn on California financial institutions.
- Note 8.** The charge where an order is cancelled after the issuance of the report of title, will be that amount which in the opinion of the Company is proper compensation for the services rendered or the purpose for which the report is used, but in no event shall said charge be less than the minimum amount required under Section 12404.1 of the Insurance Code of the State of California. If the report cannot be cancelled "no fee" pursuant to the provisions of said Insurance Code, then the minimum cancellation fee shall be that permitted by law.
- Note 9.** California Revenue and Taxation Code Section 18662, effective January 1, 1994 and by amendment effective January 1, 2003, provides that the buyer in all sales of California Real Estate may be required to withhold 3 and 1/3% of the total sales price as California State Income Tax, subject to the various provisions of the law as therein contained.



ASSESSOR'S MAP COUNTY OF
SAN LUIS OBISPO, CA.
BOOK 39 PAGE 26